

EXPERT REPORT
of
Gordon Rausser, Ph.D.
and Michael R. Dicks, Ph.D.

In the matter of

*State of Oklahoma, ex rel. W.A. Drew Edmondson, in his capacity as Attorney General of the
State of Oklahoma and Oklahoma Secretary of the Environment C. Miles Tolbert, in his
capacity as the Trustee for Natural Resources for the State of Oklahoma*

v.

*Tyson Foods, Inc., Tyson Poultry, Inc., Tyson Chicken, Inc., Cobb-Vantress, Inc., Aviagen,
Inc., Cal-Maine Foods, Inc., Cal-Maine Farms, Inc., Cargill, Inc., Cargill Turkey Production,
LLC, George's, Inc., George's Farms, Inc., Peterson Farms, Inc., Simmons Foods, Inc., and
Willow Brook Foods, Inc.*

Case No. 4:05-cv-00329-GKF-SAJ
United States District Court for the Northern District of Oklahoma

Highly Confidential
Pursuant to Protective Order

December 1, 2008

The data King uses to arrive at his cost estimates is often inappropriately applied.

Examples include:

- King's calculation of the cost of litter removal incorrectly uses unit cost estimates (Alternative 1: Removal – Cessation with proper poultry waste management). He relies upon Rausser & Dicks cost estimate for disposal within a licensed landfill (\$35/ton) but fails to recognize that this estimate was based on a travel distance of 100 miles, and proximate landfills would exhaust their capacity over the 30 year time horizon he proposes. In addition, he fails to adjust for any changes in transportation expense due to increased fuel costs, including changes that have taken place since the date of the estimate on which he relies.
- When calculating the cost of buffer strips (Alternative 2: Buffer strips along fields (all streams) and Alternative 3: Buffer strips along fields (>3rd order streams)) King overestimates both the amount of land needed for buffers as well as the cost of that land. His calculated buffer acres for Alternative 2 would comprise 7% to 8% of all of the land in the IRW, a clearly excessive number. His estimates of the required acreage appear to be approximately 140 – 145% higher than suggested by the document he cites.¹⁶⁶ His land acquisition cost of \$1,465 per acre is the average for agricultural land conservation easements across 19 states, not including Arkansas and Oklahoma. It reflects the future value of development rights in areas of high development pressure and is therefore inapplicable to the IRW. A more appropriate land cost estimate might be the annual rental rate for marginal pastureland in the 5 counties of the IRW which is between \$28 and \$55 per acre.¹⁶⁷ Therefore, he is over estimating the value of the land to be included in a buffer program by over 2,500%.

B. King's "Remediation" Alternatives Fail to Account for Current Regulations

A number of King's "remediation" programs are obviously unrealistic and not implementable. For example, he suggests supplying all residents of the IRW with bottled water. Another one of the eight options he chose to price requires installing buffer/vegetative

¹⁶⁶ EngelCORR00000189.

¹⁶⁷ Rental Rate Sources: Personal Communication, Gary Rogers, USDA County Executive Director, July 24, 2008; Personal Communication, Ted Collins, USDA County Executive Director, July 24, 2008; <https://indianocean.sc.egov.usda.gov/soilDbMgnt/SoilWelcome.do>